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**DEVELOPMENTS WILL REVERSE 20 YEARS OF NEGLECT  
IN NEWARK'S CLINTON HILL NEIGHBORHOOD**  
***Two Rehabs Will Produce 87 Units of Affordable Housing***

**NEWARK** (February 17, 1993) -- For 20 years, Newark's Clinton Hill neighborhood has been battered by disinvestment, neglect and decay. Abandoned buildings dot the streets and low-income families have been forced to double up with relatives or move into grossly substandard housing.

However, in a critical first step toward addressing the neighborhood's housing needs, a unique collaboration of national nonprofits, U.S.-based corporations and city and state programs is providing Clinton Hill-based community organizations with access to the technical and financial resources they need to transform abandoned buildings into quality affordable housing.

"This is the dawn of a new day for Newark's South Ward," Mayor Sharpe James said today at the ground-breaking for Terrace Heights Apartments and Jackson Commons Developments. "With these two developments, and this new housing, we are signaling the end of Clinton Hill's decline and our belief that every neighborhood is important to the overall strength of our city."

Terrace Heights and Jackson Commons are sponsored by Donald Jackson Neighborhood Corporation (DJNC) and Newark - North Jersey Committee of Black Churchmen Development Corporation. The unique public/private/community partnership aligned behind the \$7.1-million developments includes the Local Initiatives Support Corporation (LISC) and its affiliate, the National Equity Fund (NEF).

LISC is the nation's largest community development support organization and NEF is the nation's largest single syndicator of Low Income Housing Tax Credits. NEF has provided \$3.21 million in net equity financing for the two developments.

Joining LISC and NEF are the National Community Development Initiative (NCDI), the City of Newark, the State of New Jersey Department of Community Affairs, National Westminster Bank of New Jersey, Thrift Institutions Community Investment Corporation and Federal Home Loan Bank of New York.

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## **Terrace Heights -- add one**

LISC President Paul Grogan said, "These developments provide a compelling testament to the strength of community-based initiatives in stimulating urban renewal. And it is an approach being repeated in communities across the country once synonymous with neglect and despair. Thriving commercial strips have replaced vacant storefronts, and quality affordable housing has taken the place of abandoned buildings.

"Key to these efforts has been the Low Income Housing Tax Credit. We have used it to raise equity from such corporations as Prudential Insurance and First Fidelity Bank, for example, to invest in affordable housing development and fill the void left by federal funding cuts," Grogan said.

Prudential has invested \$22 million in LISC's equity funds since 1988, including \$7 million last year. Its Social Investment Program is authorized to originate \$25 million in new social investments annually.

"These developments are a prime example of what it means to be a good corporate citizen," said Eugene Heimberg, chairman and chief executive officer of Prudential Realty. "Since 1976, Prudential, through its Social Investment Program, has invested more than \$500 million in community renewal nationwide, primarily in cities where we have a significant business presence. We believe it is important to give back to the communities where we are based."

The two developments, located within two blocks of each other, comprise three vacant buildings that will be completely renovated into a total of 87 affordable apartments -- 63 two-bedroom units, including four with dens, and 24 three-bedroom units. The units will rent to families earning between 27 percent and 37 percent of Essex County's median income, or between \$13,400 and \$19,840 per year.

The two developments will reverse more than 20 years of neglect in Clinton Hill, one of Newark's most deteriorated communities, and will fill an important gap in the availability of affordable housing for Newark's struggling families.

Joel Silver, program manager with the New Jersey Department of Community Affairs Balanced Housing Program, said, "Donald Jackson and Newark - North Jersey Black Churchmen have persevered against tremendous odds with these developments and are starting to rebuild this community. Efforts such as these are critical if we are to reverse decline and stimulate renewal in some of this state's most devastated neighborhoods."

"The need for these developments is clear," DJNC Executive Director Gerard Joab said. "Since 1967, more than 20 multifamily buildings in this neighborhood have been abandoned or destroyed, forcing many families into substandard housing or to double up with friends or relatives. In addition, we have already compiled a waiting list of 800 families interested in these apartments."

## **Terrace Heights -- add two**

The two developers, Black Churchmen, formed in 1986 by Newark - North Jersey Black Churchmen, and DJNC, founded in 1987 by Blessed Sacrament Church, have worked for several years to realize Terrace Heights and Jackson Commons. The ground-breaking was celebrated with a brunch at Blessed Sacrament Church and a ribbon-tying joining the two developments.

"We have worked long and hard to see this day, but it has been worth it," Black Churchmen President Dr. Edward Verner said. "With the support of Mayor James, the State of New Jersey and LISC and the National Equity Fund, we can now start the process of rebuilding this proud community."

Rev. Calvin D. Price, president of Terrace Heights Housing Development Corp., said, "We started several years ago with a dream. We saw these buildings not as a blight, but as an opportunity. With the start of construction, we take a major step toward realizing the dream."

Gordon Ur, president of Thrift Institutions Community Investment Corporation, said, "These apartments are a shining example of what is possible if we in banking and business get behind community-led renewal initiatives. We at TICIC are proud of our participation in these efforts and confident of the security of our investment."

New York City-based LISC operates in 30 cities and regions throughout the country and provides financing and technical assistance to nonprofit community-based developers. In the 13 years since it was founded by the Ford Foundation, LISC and its affiliates have raised more than \$827 million from more than 850 donors and investors to help more than 875 neighborhood-based developers expand their efforts to reclaim and rebuild their communities.

Formed by LISC in 1987, NEF uses provisions of the Low Income Housing Tax Credit to channel private investment capital into affordable rental housing development. The Low Income Tax Credit provides corporate investors with a credit on federal income taxes in exchange for investment in construction or rehabilitation of affordable rental housing.

NEF uses this private investment to enable community developers to leverage additional public and private financing. NEF is one of three funds created by LISC nationwide that have raised more than \$600 million in investment capital from 90 U.S. corporations and supported the creation of 14,000 units of affordable housing. In Newark, NEF has invested \$9.7 million and helped to produce 211 quality affordable apartments.

The Tax Credit expired on June 30. A permanent extension of the Tax Credit was included in the urban aid bill vetoed in November by former President Bush. New Housing and Urban Development Secretary Henry Cisneros testified at his confirmation hearings to his desire to reinstate the Tax Credit.